

AMENDED IN ASSEMBLY JULY 10, 1997

AMENDED IN SENATE MAY 6, 1997

SENATE BILL

No. 1105

**Introduced by Committee on Revenue and Taxation
(Senators Alpert (Chair), Greene, Karnette, Knight, Kopp,
and McPherson)**

February 28, 1997

An act to amend Section 15031 of the Education Code, to amend Section 54902.5 of the Government Code, to amend Section 33674 of the Health and Safety Code, ~~to amend Section 1775.4 of the Insurance Code,~~ and to amend Sections 51, 69.5, 75.10, 408, 434.5, 670, 673, 1603, 1605, ~~12631, 12632, 12983.1,~~ and 38904 of, and to amend, repeal, and add Section 619 of, the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1105, as amended, Committee on Revenue and Taxation. Taxation.

Existing law authorizes school districts and community college districts to form school facilities improvement districts that are coterminous with school district or community college district boundaries, except to the extent that any portion of the school district or community college district is located within a community facilities district formed pursuant to a specified statutory authorization. It also establishes procedures and requirements with respect to the issuance of bonds by any improvement district that is so established, and provides, as specified, for the levying of a tax upon properties

within the improvement district for the funding of those bonds.

This bill would require the governing body of a school district or community college district that forms a school facilities improvement district to comply with the filing requirements established by a specified statute with respect to local agency jurisdiction boundary changes, and would require certain of those filings to indicate which properties located within the school district or community college district are located outside the improvement district.

Existing law requires the levying authority of a city or district, as provided, the levies of which are carried on county tax rolls, to file with the relevant county auditors and the State Board of Equalization a statement, and a map or plat, with respect to the creation of, or any change in, that city or district's boundaries. It requires the State Board of Equalization to establish a schedule of fees for filing and processing the filed documents, and prohibits the fee schedule from containing any fee that exceeds the lesser of the board's reasonably anticipated costs or an amount equal to 25% of the "total anticipated tax revenue" to be collected by the city or district during the first fiscal year in which the new boundaries are effective.

This bill would define the term "total anticipated tax revenue" for purposes of this prohibition.

Existing law with respect to the collection of ad valorem property tax revenues attributable to redevelopment agencies specifies that the agency share of ad valorem tax revenues derived from a redevelopment project is not allocable and payable for the first time until the tax year that begins after the January 1 next following the transmittal of documents as required by certain statutes.

This bill would change this date reference from January 1 to December 1.

Existing property tax law provides, for assessment years commencing after January 1985, for an inflation factor to be applied to the base year value of real property, and requires that inflation factor to be determined with reference to the change in the California Consumer Price Index from



December of the prior fiscal year to December of the current fiscal year.

This bill would instead require, with respect to assessment years commencing on or after January 1, 1998, that the inflation factor be determined with reference to the change in the California Consumer Price Index from October of the prior fiscal year to October of the current fiscal year.

Existing property tax law allows persons who are either over 55 years of age or are severely and permanently disabled, as provided, to transfer the property tax base year value of their home to a “replacement dwelling” of equal or lesser value that is located within the same county, and also authorizes, until January 1, 1999, a similar transfer of property tax base year value to a “replacement dwelling” located in any other county that has provided for these intercounty transfers. Existing law defines land constituting part of a “replacement dwelling” to include an “area of reasonable size that is used as a site for a residence,” and defines this latter term to itself include all land if no portion of the property is used for commercial purposes, which do not include activities that are merely incidental to a residential use.

This bill would clarify the meaning of the term “area of reasonable size that is used as a site for a residence” to instead include all land if any nonresidential uses of the property are only incidental to residential use. This bill would also make other technical, nonsubstantive changes.

Existing property tax law with respect to supplemental assessments requires the assessor, commencing with the 1983-84 assessment year, to appraise property at its full cash value whenever a change in ownership occurs or actual physical new construction on the site of the property is completed. Existing law also requires, in the case in which “actual physical new construction” consists of the removal of a structure, that the new base year value of the remaining property be determined as provided in a specified statutory provision.

This bill would correct an error in the reference to that statutory provision.

Existing property tax law requires the assessor, upon request of the tax collector, to provide to the tax collector that



information used to prepare that portion of the unsecured tax roll for which taxes are delinquent. Existing law requires a tax collector requesting this information to certify to the assessor that he or she needs this information for the enforcement of the “assessor’s tax lien.”

This bill would update this lien reference by deleting the word “assessor’s.”

Existing property tax law requires the State Board of Equalization to annually determine the value per acre of timberlands zoned under certain statutes by March 1 in accordance with a specified schedule, and requires the board to certify those values to county assessors by January 10 of each year.

This bill would instead annually require the State Board of Equalization to determine the value per acre of these timberlands by January 1, and to certify those values to county assessors by November 30.

Existing property tax law annually requires the assessor, upon or prior to the completion of the local tax roll, to either inform each assessee on certain tax rolls of the assessed value of subject property, or to inform each assessee of real property on the secured tax roll, the full value of which has increased from the prior year, of the assessed value of that property. It also requires the information provided under either of these options to include the full value of the subject property.

This bill would, commencing on January 1, 1999, eliminate the requirement that the information provided by the assessor, under either option, include the full value of the property, and would instead require that the information include the adjusted base year value of the property, compounded annually from the base year to the current year by the appropriate inflation factors, in the case in which a property’s full value increases in accordance with that property’s factored base year value over the market-based full value determined for the previous year. This bill would also make technical, clarifying changes. By imposing new duties upon county assessors in providing assessment information, this bill would impose a state-mandated local program.

Existing law requires that county assessors elected or appointed after January 1, 1997, hold a valid appraiser’s

certificate issued by the State Board of Equalization, and allows a newly elected or appointed assessor to exercise the powers and duties of the office if he or she acquires a temporary appraiser's certificate within 30 days of election or appointment.

This bill would conform existing property tax statutes with respect to the certification of appraisers to existing requirements with respect to assessors, and would make other technical, nonsubstantive changes.

Existing property tax law generally requires an application for reduction in assessment to be filed no later than September 15.

This bill would provide that an application for reduction in assessment that is mailed and postmarked on the next business day following September 15 shall be deemed timely filed in the case in which September 15 is a Saturday, Sunday, or a legal holiday, as defined.

Existing property tax law authorizes the board of supervisors of a county in which assessment appeals boards have been created to prescribe the period for the equalization of assessments made outside the regular assessment period. It also specifies assessments made pursuant to certain statutes as being among those assessments made outside the regular period.

This bill would delete an erroneous statutory reference from these specifications.

~~Existing law imposes a gross premiums tax, as provided, upon insurers and surplus line brokers, but does not provide for penalty charges and interest charges and payments with respect to surplus line brokers in the same manner as is provided for with respect to insurers.~~

~~This bill would conform gross premiums tax penalty charges and interest charges and payments for surplus line brokers to those corresponding provisions for insurers.~~

The Timber Yield Tax Law requires, subject to certain exceptions, that all revenues derived pursuant to that law be deposited in the Timber Tax Fund. It appropriates the money in that fund for, among other things, the reimbursement of the General Fund for moneys advanced for costs incurred by the State Board of Equalization in administering the Timber

Yield Tax Law, including amounts identified and approved in subsequent fiscal years as approved in the annual Budget Act. It requires that $\frac{1}{2}$ of these amounts be reimbursed to the General Fund on November 30, and that the remaining $\frac{1}{2}$ be reimbursed to the General Fund on May 31.

This bill would instead require that $\frac{1}{2}$ of these amounts be reimbursed to the General Fund between November 1 and November 10, and that the remaining $\frac{1}{2}$ of these amounts be reimbursed to the General Fund between May 1 and May 10.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 15301 of the Education Code is
2 amended to read:
3 15301. (a) Any school district or community college
4 district that has a community facilities district formed
5 pursuant to the Mello-Roos Community Facilities Act of
6 1982, as set forth in Chapter 2.5 (commencing with
7 Section 53311) of Part 1 of Division 2 of Title 5 of the
8 Government Code, that has as one of its purposes the
9 construction of school facilities within a portion of the
10 territory of the school district or community college
11 district, may proceed under this chapter.
12 (b) The boundaries of any school facilities
13 improvement district formed pursuant to this chapter
14 shall include all of the portion of the territory within the
15 boundaries of the school district or community college

1 district that is not located within the boundaries of the
2 community facilities district as described in subdivision
3 (a).

4 (c) A school district or community college district may
5 proceed under this chapter without meeting the
6 requirements of subdivisions (a) and (b) if the governing
7 board of the school district or community college district
8 determines that it is necessary and in the best interest of
9 the school district or community college district,
10 respectively, to form a school facilities improvement
11 district pursuant to this chapter to finance any or all of the
12 improvements set forth in Section 15302. As a part of that
13 determination, the governing board of the school district
14 or community college district shall make a finding that
15 the overall cost of financing the bonds issued pursuant to
16 this chapter would be less than the overall cost of other
17 school facilities financing options available to the school
18 district or community college district, including, but not
19 limited to, issuing bonds pursuant to the Mello-Roos
20 Communities Facilities Act of 1982 (Ch. 2.5
21 (commencing with Sec. 53311), Pt. 1, Div. 2, Title 5, Gov.
22 C.). The governing board of the school district or
23 community college district proceeding under this
24 subdivision shall define the boundaries of the school
25 facilities improvement district to include any portion of
26 territory within the jurisdiction of the school district or
27 community college district, except that the boundaries
28 may not include all or a portion of the territory of the
29 community facilities district described in subdivision (a).

30 (d) The governing body of a school district or
31 community college district that proceeds under this
32 chapter shall comply with the filing requirements
33 established by Section 54902 of the Government Code.
34 Any plat or map that is filed pursuant to this subdivision
35 shall specifically identify any property, located within the
36 school district or community college district, that is not
37 located within the improvement district established by
38 the school district or community college district pursuant
39 to this chapter.

1 SEC. 2. Section 54902.5 of the Government Code is
2 amended to read:

3 54902.5. (a) Notwithstanding Section 6103, the State
4 Board of Equalization shall establish a schedule of fees for
5 filing and processing the statements and maps or plats
6 which are required to be filed with the board pursuant to
7 Section 54902.

8 (1) The schedule shall not include any fee which
9 exceeds the reasonably anticipated cost to the board of
10 performing the work to which the fee relates, or an
11 amount equal to 25 percent of the anticipated total tax
12 revenue that will be collected by the city or district
13 during the first full fiscal year, beginning on July 1, that
14 the boundary changes are effective, as determined by the
15 county auditor, whichever amount is less.

16 (2) For purposes of this subdivision, the term
17 “anticipated total tax revenue” means the tax revenues
18 that will be allocated to the city or district from all
19 property located within the boundaries of the city or
20 district, including the area affected by the boundary
21 change.

22 (b) The city, district, or executive officer of a local
23 agency formation commission, forwarding the statement
24 to the tax or assessment levying authority for filing
25 pursuant to Section 54900, shall accompany the statement
26 with the necessary fee for transmittal to the board.
27 However, with respect to a newly created city or district,
28 no fee shall be required until the time that the city or
29 district receives its first revenues.

30 SEC. 3. Section 33674 of the Health and Safety Code
31 is amended to read:

32 33674. The portion of taxes mentioned in subdivision
33 (b) of Section 33670 shall not be allocable and payable for
34 the first time until the tax year which begins after the
35 December 1st next following the transmittal of the
36 documents as required in Section 33375 or Section 33457.

37 ~~SEC. 4. Section 1775.4 of the Insurance Code is~~
38 ~~amended to read:~~

39 ~~1775.4. (a) The amount of the payment shall be 3~~
40 ~~percent of the gross premiums less return premiums~~

1 upon business done by the surplus line broker under the
2 authority of his or her license during the calendar month
3 ending two calendar months immediately preceding the
4 due date of the payment, as specified in Section 1775.3,
5 excluding gross premiums and return premiums paid by
6 him or her upon business governed by the provisions of
7 Section 1760.5. If during any calendar month those return
8 premiums upon business done by a surplus line broker
9 exceed the gross premiums upon the business done by
10 him or her in that calendar month, then no payment shall
11 be payable by him or her in respect to that calendar
12 month, and he or she may carry forward that excess to the
13 next succeeding calendar month or months and apply it
14 in reduction of the taxable premiums on business done by
15 him or her in that succeeding calendar month or months.
16 Even though no payment shall be payable by the broker,
17 he or she shall file a return showing that his or her return
18 premiums exceeded his or her gross premiums.

19 (b) In determining the applicability of subdivision (a)
20 of Section 1775.1 to a surplus line broker who has acquired
21 the business of another surplus line broker, the amount of
22 tax liability of the acquired broker for the immediately
23 preceding calendar year shall be added to the amount of
24 the tax liability of the acquiring broker for the
25 immediately preceding calendar year.

26 (c) All amounts paid, other than penalties and interest,
27 shall be allowed as a credit on the annual tax imposed by
28 Section 1775.5.

29 (d) If the total amount of monthly installment
30 payments for any calendar year exceeds the amount of
31 annual tax for that year, the excess shall be treated as an
32 overpayment of annual tax and be allowed as a credit or
33 refund.

34 (e) A penalty of 10 percent of the amount of the
35 monthly payment due shall be levied upon and paid by
36 any surplus line broker who fails to make the necessary
37 payment within the time required, plus interest at the
38 modified adjusted rate per month or fraction thereof,
39 established pursuant to Revenue and Taxation Code
40 Section 6591.5, from the due date of the payment until the

~~1 date payment is received by the commissioner, but not
2 for any period after the due date of the annual tax. The
3 commissioner may remit the penalty in a case where he
4 or she finds, as a result of examination or otherwise, that
5 the failure of, or delay in, payment arose out of excusable
6 mistake or excusable inadvertence.~~

~~7 (f) For any part of a payment required that was not
8 made within the time required by law, when the
9 nonpayment or late payment was due to fraud on the part
10 of the taxpayer, a penalty of 25 percent of the amount
11 unpaid shall be added thereto, in addition to all other
12 penalties otherwise imposed.~~

~~13 (g) The commissioner, upon a showing of good cause,
14 may extend for not to exceed 10 days the time for making
15 a monthly payment. The extension may be granted at any
16 time, provided that a request therefor is filed with the
17 commissioner within or prior to the period for which the
18 extension may be granted. No interest shall be paid for
19 the period of time for which the extension is granted.~~

~~20 SEC. 5.~~

~~21 SEC. 4. Section 51 of the Revenue and Taxation Code
22 is amended to read:~~

~~23 51. (a) For purposes of subdivision (b) of Section 2 of
24 Article XIII A of the California Constitution, for each lien
25 date after the lien date in which the base year value is
26 determined pursuant to Section 110.1, the taxable value
27 of real property shall, except as otherwise provided in
28 subdivision (b) or (c), be the lesser of:~~

~~29 (1) Its base year value, compounded annually since
30 the base year by an inflation factor, which shall be
31 determined as follows:~~

~~32 (A) For any assessment year commencing prior to
33 January 1, 1985, the inflation factor shall be the
34 percentage change in the cost of living, as defined in
35 Section 2212.~~

~~36 (B) For any assessment year commencing after
37 January 1, 1985, and prior to January 1, 1998, the inflation
38 factor shall be the percentage change, rounded to the
39 nearest one-thousandth of 1 percent, from December of
40 the prior fiscal year to December of the current fiscal year~~

1 in the California Consumer Price Index for all items, as
2 determined by the California Department of Industrial
3 Relations.

4 (C) For any assessment year commencing on or after
5 January 1, 1998, the inflation factor shall be the
6 percentage change, rounded to the nearest
7 one-thousandth of ~~one~~—1 percent, from October of the
8 prior fiscal year to October of the current fiscal year in the
9 California Consumer Price Index for all items, as
10 determined by the California Department of Industrial
11 Relations.

12 (D) In no event shall the percentage increase for any
13 assessment year determined pursuant to subparagraph
14 (A), (B), or (C) exceed 2 percent of the prior year's
15 value.

16 (2) Its full cash value, as defined in Section 110, as of
17 the lien date, taking into account reductions in value due
18 to damage, destruction, depreciation, obsolescence,
19 removal of property, or other factors causing a decline in
20 value.

21 (b) If the real property was damaged or destroyed by
22 disaster, misfortune, or calamity and the board of
23 supervisors of the county in which the real property is
24 located has not adopted an ordinance pursuant to Section
25 170, or any portion of the real property has been removed
26 by voluntary action by the taxpayer, the taxable value of
27 the property shall be the sum of the following:

28 (1) The lesser of its base year value of land determined
29 under paragraph (1) of subdivision (a) or full cash value
30 of land determined pursuant to paragraph (2) of
31 subdivision (a).

32 (2) The lesser of its base year value of improvements
33 determined pursuant to paragraph (1) of subdivision (a)
34 or the full cash value of improvements determined
35 pursuant to paragraph (2) of subdivision (a).

36 The sum determined under this subdivision shall then
37 become the base year value of the real property until that
38 property is restored, repaired, or reconstructed or other
39 provisions of law require establishment of a new base year
40 value.

1 (c) If the real property was damaged or destroyed by
2 disaster, misfortune or calamity and the board of
3 supervisors in the county in which the real property is
4 located has adopted an ordinance pursuant to Section 170,
5 the taxable value of the real property shall be its assessed
6 value as computed pursuant to Section 170.

7 (d) For purposes of this section, “real property” means
8 that appraisal unit that persons in the marketplace
9 commonly buy and sell as a unit, or that is normally valued
10 separately.

11 (e) Nothing in this section shall be construed to
12 require the assessor to make an annual reappraisal of all
13 assessable property. However, for each lien date after the
14 first lien date for which the taxable value of property is
15 reduced pursuant to paragraph (2) of subdivision (a), the
16 value of that property shall be annually reappraised at its
17 full cash value as defined in Section 110 until that value
18 exceeds the value determined pursuant to paragraph (1)
19 of subdivision (a). In no event shall the assessor condition
20 the implementation of the preceding sentence in any
21 year upon the filing of an assessment appeal.

22 ~~SEC. 6.~~

23 *SEC. 5.* Section 69.5 of the Revenue and Taxation
24 Code is amended to read:

25 69.5. (a) (1) Notwithstanding any other provision of
26 law, pursuant to subdivision (a) of Section 2 of Article
27 XIII A of the California Constitution, any person over the
28 age of 55 years, or any severely and permanently disabled
29 person, who resides in property that is eligible for the
30 homeowner’s exemption under subdivision (k) of Section
31 3 of Article XIII of the California Constitution and Section
32 218 may transfer, subject to the conditions and limitations
33 provided in this section, the base year value of that
34 property to any replacement dwelling of equal or lesser
35 value that is located within the same county and is
36 purchased or newly constructed by that person as his or
37 her principal residence within two years of the sale by
38 that person of the original property, provided that the
39 base year value of the original property shall not be



1 transferred to the replacement dwelling until the original
2 property is sold.

3 (2) Notwithstanding the limitation in paragraph (1)
4 requiring that the original property and the replacement
5 dwelling be located in the same county, this limitation
6 shall not apply in any county in which the county board
7 of supervisors, after consultation with local affected
8 agencies within the boundaries of the county, adopts an
9 ordinance making the provisions of paragraph (1) also
10 applicable to situations in which replacement dwellings
11 are located in that county and the original properties are
12 located in another county within this state. The
13 authorization contained in this paragraph shall be
14 applicable in a county only if the ordinance adopted by
15 the board of supervisors complies with the following
16 requirements:

17 (A) It is adopted only after consultation between the
18 board of supervisors and all other local affected agencies
19 within the county's boundaries.

20 (B) It requires that all claims for transfers of base year
21 value from original property located in another county be
22 granted if the claims meet the applicable requirements
23 of both subdivision (a) of Section 2 of Article XIII A of the
24 California Constitution and this section.

25 (C) It requires that all base year valuations of original
26 property located in another county and determined by its
27 assessor be accepted in connection with the granting of
28 claims for transfers of base year value.

29 (D) The ordinance provides that its provisions shall
30 remain operative for a period of not less than five years.

31 (E) The ordinance specifies the date on and after
32 which its provisions shall be applicable. However, the
33 date specified shall not be earlier than November 9, 1988.
34 The specified applicable date may be a date earlier than
35 the date the county adopts the ordinance.

36 (b) In addition to meeting the requirements of
37 subdivision (a), any person claiming the property tax
38 relief provided by this section shall be eligible for that
39 relief only if the following conditions are met:

1 (1) The claimant is an owner and a resident of the
2 original property either at the time of its sale or within
3 two years of the purchase or new construction of the
4 replacement dwelling.

5 (2) The original property is eligible for the
6 homeowner's exemption, as the result of the claimant's
7 ownership and occupation of the property as his or her
8 principal residence, either at the time of its sale or within
9 two years of the purchase or new construction of the
10 replacement dwelling.

11 (3) At the time of the sale of the original property, the
12 claimant or the claimant's spouse who resides with the
13 claimant is at least 55 years of age, or is severely and
14 permanently disabled.

15 (4) At the time of claiming the property tax relief
16 provided by subdivision (a), the claimant is an owner of
17 a replacement dwelling and occupies it as his or her
18 principal place of residence and, as a result thereof, the
19 property is currently eligible for the homeowner's
20 exemption or would be eligible for the exemption except
21 that the property is already receiving the exemption
22 because of an exemption claim filed by the previous
23 owner.

24 (5) The original property of the claimant is sold by him
25 or her within two years of the purchase or new
26 construction of the replacement dwelling. For purposes
27 of this paragraph, the purchase or new construction of the
28 replacement dwelling includes the purchase of that
29 portion of land on which the replacement building,
30 structure, or other shelter constituting a place of abode of
31 the claimant will be situated and which, pursuant to
32 paragraph (3) of subdivision (g), constitutes a part of the
33 replacement dwelling.

34 (6) (A) For purposes of paragraph (1) of subdivision
35 (a), the replacement dwelling, including that portion of
36 land on which it is situated which is specified in paragraph
37 (5), is located entirely within the same county as the
38 claimant's original property.

39 (B) For purposes of paragraph (2) of subdivision (a),
40 the replacement dwelling, including that portion of the



1 land on which it is situated which is specified in paragraph
2 (5), is located entirely within the county.

3 (7) The claimant has not previously been granted, as
4 a claimant, the property tax relief provided by this
5 section, except that this paragraph shall not apply to any
6 person who becomes severely and permanently disabled
7 subsequent to being granted, as a claimant, the property
8 tax relief provided by this section for any person over the
9 age of 55 years. In order to prevent duplication of claims
10 under this section within this state, county assessors shall
11 report quarterly to the State Board of Equalization that
12 information from claims filed in accordance with
13 subdivision (f) and from county records as is specified by
14 the board necessary to identify fully all claims under this
15 section allowed by assessors and all claimants who have
16 thereby received relief. The board may specify that the
17 information include all or a part of the names and social
18 security numbers of claimants and their spouses and the
19 identity and location of the replacement dwelling to
20 which the claim applies. The information may be
21 required in the form of data processing media or other
22 media and in a format that is compatible with the
23 recordkeeping processes of the counties and the auditing
24 procedures of the state.

25 (c) The property tax relief provided by this section
26 shall be available if the original property or the
27 replacement dwelling, or both, of the claimant, includes,
28 but is not limited to, either of the following:

29 (1) A unit or lot within a cooperative housing
30 corporation, a community apartment project, a
31 condominium project, or a planned unit development. If
32 the unit or lot constitutes the original property of the
33 claimant, the assessor shall transfer to the claimant's
34 replacement dwelling only the base year value of the
35 claimant's unit or lot and his or her share in any common
36 area reserved as an appurtenance of that unit or lot. If the
37 unit or lot constitutes the replacement dwelling of the
38 claimant, the assessor shall transfer the base year value of
39 the claimant's original property only to the unit or lot of
40 the claimant and any share of the claimant in any

1 common area reserved as an appurtenance of that unit or
2 lot.

3 (2) A mobilehome or a mobilehome and any land
4 owned by the claimant on which the mobilehome is
5 situated. If the mobilehome or the mobilehome and the
6 land on which it is situated constitutes the claimant's
7 original property, the assessor shall transfer to the
8 claimant's replacement dwelling either the base year
9 value of the mobilehome or the base year value of the
10 mobilehome and the land on which it is situated, as
11 appropriate. No transfer of base year value shall be made
12 by the assessor of that portion of land that does not
13 constitute a part of the original property, as provided in
14 paragraph (4) of subdivision (g). If the mobilehome or
15 the mobilehome and the land on which it is situated
16 constitutes the claimant's replacement dwelling, the
17 assessor shall transfer the base year value of the claimant's
18 original property either to the mobilehome or the
19 mobilehome and the land on which it is situated, as
20 appropriate. No transfer of base year value shall be made
21 by the assessor to that portion of land that does not
22 constitute a part of the replacement dwelling, as
23 provided in paragraph (3) of subdivision (g).

24 This subdivision shall be subject to the limitations
25 specified in subdivision (d).

26 (d) The property tax relief provided by this section
27 shall be available to a claimant who is the coowner of the
28 original property, as a joint tenant, a tenant in common,
29 or a community property owner, subject to the following
30 limitations:

31 (1) If a single replacement dwelling is purchased or
32 newly constructed by all of the coowners and each
33 coowner retains an interest in the replacement dwelling,
34 the claimant shall be eligible under this section whether
35 or not any or all of the remaining coowners would
36 otherwise be eligible claimants.

37 (2) If two or more replacement dwellings are
38 separately purchased or newly constructed by two or
39 more coowners and more than one coowner would
40 otherwise be an eligible claimant, only one coowner shall



1 be eligible under this section. These coowners shall
2 determine by mutual agreement which one of them shall
3 be deemed eligible.

4 (3) If two or more replacement dwellings are
5 separately purchased or newly constructed by two
6 coowners who held the original property as community
7 property, only the coowner who has attained the age of
8 55 years, or is severely and permanently disabled, shall be
9 eligible under this section. If both spouses are over 55
10 years of age, they shall determine by mutual agreement
11 which one of them shall be deemed eligible.

12 In the case of coowners whose original property is a
13 multiunit dwelling, the limitations imposed by
14 paragraphs (2) and (3) shall only apply to coowners who
15 occupied the same dwelling unit within the original
16 property at the time specified in paragraph (2) of
17 subdivision (b).

18 (e) Upon the sale of original property, the assessor
19 shall determine a new base year value for that property
20 in accordance with subdivision (a) of Section 2 of Article
21 XIII A of the California Constitution and Section 110.1,
22 whether or not a replacement dwelling is subsequently
23 purchased or newly constructed by the former owner or
24 owners of the original property.

25 This section shall not apply unless the transfer of the
26 original property is a change in ownership which either
27 (1) subjects that property to reappraisal at its current fair
28 market value in accordance with Section 110.1 or 5803 or
29 (2) results in a base year value determined in accordance
30 with this section, Section 69, or Section 69.3 because the
31 property qualifies under this section, Section 69, or
32 Section 69.3 as a replacement dwelling or property.

33 (f) A claimant shall not be eligible for the property tax
34 relief provided by this section unless the claimant
35 provides to the assessor, on a form that the assessor shall
36 make available upon request, the following information:

37 (1) The name and social security number of each
38 claimant and of any spouse of the claimant who is a record
39 owner of the replacement dwelling.

1 (2) Proof that the claimant or the claimant's spouse
2 who resided on the original property with the claimant
3 was, at the time of its sale, at least 55 years of age or
4 severely and permanently disabled. Proof of severe and
5 permanent disability shall be considered a certification,
6 signed by a licensed physician and surgeon of appropriate
7 specialty, attesting to the claimant's severely and
8 permanently disabled condition. In the absence of
9 available proof that a person is over 55 years of age, the
10 claimant shall certify under penalty of perjury that the
11 age requirement is met. In the case of a severely and
12 permanently disabled claimant either of the following
13 shall be submitted:

14 (A) A certification, signed by a licensed physician or
15 surgeon of appropriate specialty that identifies specific
16 reasons why the disability necessitates a move to the
17 replacement dwelling and the disability-related
18 requirements, including any locational requirements, of
19 a replacement dwelling. The claimant shall substantiate
20 that the replacement dwelling meets disability-related
21 requirements so identified and that the primary reason
22 for the move to the replacement dwelling is to satisfy
23 those requirements. If the claimant, or the claimant's
24 spouse or guardian, so declares under penalty of perjury,
25 it shall be rebuttably presumed that the primary purpose
26 of the move to the replacement dwelling is to satisfy
27 identified disability-related requirements.

28 (B) The claimant's substantiation that the primary
29 purpose of the move to the replacement dwelling is to
30 alleviate financial burdens caused by the disability. If the
31 claimant, or the claimant's spouse or guardian, so declares
32 under penalty of perjury, it shall be rebuttably presumed
33 that the primary purpose of the move is to alleviate the
34 financial burdens caused by the disability.

35 (3) The address and, if known, the assessor's parcel
36 number of the original property, and, if the original
37 property is located within another county, the name of
38 the county or counties and, if applicable, city or cities in
39 which the original property is located.

1 (4) The date of the claimant's sale of the original
2 property and the date of the claimant's purchase or new
3 construction of a replacement dwelling.

4 (5) A statement by the claimant that he or she
5 occupied the replacement dwelling as his or her principal
6 place of residence on the date of the filing of his or her
7 claim.

8 (6) If the original property and the replacement
9 dwelling are located in different counties, the base year
10 value of the original property determined by the assessor
11 of the county in which the original property is located.

12 The State Board of Equalization shall design the form
13 for claiming eligibility.

14 Any claim under this section shall be filed within three
15 years of the date the replacement dwelling was
16 purchased or the new construction of the replacement
17 dwelling was completed.

18 (g) For purposes of this section:

19 (1) "Person over the age of 55 years" means any
20 person or the spouse of any person who has attained the
21 age of 55 years or older at the time of the sale of original
22 property.

23 (2) "Base year value of the original property" means
24 its base year value, as determined in accordance with
25 Section 110.1, with the adjustments permitted by
26 subdivision (b) of Section 2 of Article XIII A of the
27 California Constitution and subdivision (f) of Section
28 110.1, determined as of the date immediately prior to the
29 date that the original property is sold by the claimant.

30 If the replacement dwelling is purchased or newly
31 constructed after the transfer of the original property,
32 "base year value of the original property" also includes
33 any inflation factor adjustments permitted by subdivision
34 (f) of Section 110.1 for the period subsequent to the sale
35 of the original property. The base year or years used to
36 compute the "base year value of the original property"
37 shall be deemed to be the base year or years of any
38 property to which that base year value is transferred
39 pursuant to this section.

1 (3) “Replacement dwelling” means a building,
2 structure, or other shelter constituting a place of abode,
3 whether real property or personal property, that is
4 owned and occupied by a claimant as his or her principal
5 place of residence, and any land owned by the claimant
6 on which the building, structure, or other shelter is
7 situated. For purposes of this paragraph, land constituting
8 a part of a replacement dwelling includes only that area
9 of reasonable size that is used as a site for a residence, and
10 “land owned by the claimant” includes land for which the
11 claimant either holds a leasehold interest described in
12 subdivision (c) of Section 61 or a land purchase contract.
13 Each unit of a multiunit dwelling shall be considered a
14 separate replacement dwelling. For purposes of this
15 paragraph, “area of reasonable size that is used as a site
16 for a residence” includes all land if any nonresidential
17 uses of the property are only incidental to the use of the
18 property as a residential site.

19 (4) “Original property” means a building, structure,
20 or other shelter constituting a place of abode, whether
21 real property or personal property, that is owned and
22 occupied by a claimant as his or her principal place of
23 residence, and any land owned by the claimant on which
24 the building, structure, or other shelter is situated. For
25 purposes of this paragraph, land constituting a part of
26 original property includes only that area of reasonable
27 size that is used as a site for a residence, and “land owned
28 by the claimant” includes land for which the claimant
29 either holds a leasehold interest described in subdivision
30 (c) of Section 61 or a land purchase contract. Each unit
31 of a multiunit dwelling shall be considered a separate
32 original property. For purposes of this paragraph, “area
33 of reasonable size that is used as a site for a residence”
34 includes all land if any nonresidential uses of the property
35 are only incidental to the use of the property as a
36 residential site.

37 (5) “Equal or lesser value” means that the amount of
38 the full cash value of a replacement dwelling does not
39 exceed one of the following:

1 (A) One hundred percent of the amount of the full
2 cash value of the original property if the replacement
3 dwelling is purchased or newly constructed prior to the
4 date of the sale of the original property.

5 (B) One hundred and five percent of the amount of
6 the full cash value of the original property if the
7 replacement dwelling is purchased or newly constructed
8 within the first year following the date of the sale of the
9 original property.

10 (C) One hundred and ten percent of the amount of
11 the full cash value of the original property if either of the
12 following conditions are met:

13 (i) The replacement dwelling is purchased or newly
14 constructed within the second year following the date of
15 the sale of the original property.

16 (ii) The replacement dwelling is purchased or newly
17 constructed on or after November 5, 1986, and on or
18 before January 1, 1988, and within two years of the sale of
19 the original property.

20 For the purposes of this paragraph, except as otherwise
21 provided in paragraph (4) of subdivision (h), if the
22 replacement dwelling is, in part, purchased and, in part,
23 newly constructed, the date the “replacement dwelling
24 is purchased or newly constructed” is the date of
25 purchase or the date of completion of construction,
26 whichever is later.

27 (6) “Full cash value of the replacement dwelling”
28 means its full cash value, determined in accordance with
29 Section 110.1, as of the date on which it was purchased or
30 new construction was completed, and after the purchase
31 or the completion of new construction.

32 (7) “Full cash value of the original property” means its
33 new base year value, determined in accordance with
34 subdivision (e), without the application of subdivision
35 (h) of Section 2 of Article XIII A of the California
36 Constitution, plus the adjustments permitted by
37 subdivision (b) of Section 2 of Article XIII A and
38 subdivision (f) of Section 110.1 for the period from the
39 date of its sale by the claimant to the date on which the

1 replacement property was purchased or new
2 construction was completed.

3 (8) “Sale” means any change in ownership of the
4 original property for consideration.

5 (9) “Claimant” means any person claiming the
6 property tax relief provided by this section. If a spouse of
7 that person is a record owner of the replacement
8 dwelling, the spouse shall also be deemed a claimant for
9 purposes of determining whether the condition of
10 paragraph (7) of subdivision (b) has been met.

11 (10) “Property that is eligible for the homeowner’s
12 exemption” includes property which is the principal
13 place of residence of its owner and is entitled to
14 exemption pursuant to Section 205.5.

15 (11) “Consultation” means a noticed hearing
16 conducted by a county board of supervisors concerning
17 the adoption of an ordinance described in paragraph (2)
18 of subdivision (a) and with respect to which all local
19 affected agencies within the boundaries of the county are
20 provided with reasonable notice of the time and place of
21 the hearing and a reasonable opportunity to appear and
22 participate at the hearing.

23 (12) “Local affected agency” means any city, special
24 district, school district, or community college district that
25 receives an annual property tax revenue allocation.

26 (13) “Person” means any individual, but does not
27 include any firm, partnership, association, corporation,
28 company, or other legal entity or organization of any
29 kind.

30 (14) “Severely and permanently disabled person”
31 means any person described in subdivision (b) of Section
32 74.3.

33 (h) (1) Upon the timely filing of a claim, the assessor
34 shall adjust the new base year value of the replacement
35 dwelling in conformity with this section. This adjustment
36 shall be made as of the latest of the following dates:

37 (A) The date the original property is sold.

38 (B) The date the replacement dwelling is purchased.

39 (C) The date the new construction of the replacement
40 dwelling is completed.

(2) Any taxes which were levied on the replacement dwelling prior to the filing of the claim on the basis of the replacement dwelling's new base year value, and any allowable annual adjustments thereto, shall be canceled or refunded to the claimant to the extent that the taxes exceed the amount which would be due when determined on the basis of the adjusted new base year value.

(3) Notwithstanding Section 75.10, Chapter 3.5 (commencing with Section 75) shall be utilized for purposes of implementing this subdivision, including adjustments of the new base year value of replacement dwellings acquired prior to the sale of the original property.

(4) In the case where a claim under this section has been timely filed and granted, and new construction is performed upon the replacement dwelling subsequent to the transfer of base year value, the property tax relief provided by this section also shall apply to the replacement dwelling, as improved, and thus there shall be no reassessment upon completion of the new construction if both of the following conditions are met:

(A) The new construction is completed within two years of the date of the sale of the original property and the owner notifies the assessor in writing of completion of the new construction within 30 days after completion.

(B) The fair market value of the new construction on the date of completion, plus the full cash value of the replacement dwelling on the date of acquisition, is not more than the full cash value of the original property as determined pursuant to paragraph (7) of subdivision (g) for purposes of granting the original claim.

(i) Any claimant may rescind a claim for the property tax relief provided by this section and shall not be considered to have received that relief for purposes of paragraph (7) of subdivision (b), if a written notice of rescission is delivered to the office of the assessor in which the original claim was filed and all of the following have occurred:

1 (1) The notice is signed by the original filing claimant
2 or claimants.

3 (2) The notice is delivered to the office of the assessor
4 before the date that the county first issues, as a result of
5 relief granted under this section, a refund check for
6 property taxes imposed upon the replacement dwelling.
7 If granting relief will not result in a refund of property
8 taxes, then the notice shall be delivered before payment
9 is first made of any property taxes, or any portion thereof,
10 imposed upon the replacement dwelling consistent with
11 relief granted under this section. If payment of the taxes
12 is not made, then notice shall be delivered before the first
13 date that those property taxes, or any portion thereof,
14 imposed upon the replacement dwelling, consistent with
15 relief granted under this section, are delinquent.

16 (3) The notice is accompanied by the payment of a fee
17 as the assessor may require, provided that the fee shall not
18 exceed an amount reasonably related to the estimated
19 cost of processing a rescission claim, including both direct
20 costs and developmental and indirect costs, such as costs
21 for overhead, personnel, supplies, materials, office space,
22 and computers.

23 (j) (1) With respect to the transfer of base year value
24 of original properties to replacement dwellings located in
25 the same county, this section, except as provided in
26 paragraph (3) or (4), shall apply to any replacement
27 dwelling that is purchased or newly constructed on or
28 after November 5, 1986.

29 (2) With respect to the transfer of base year value of
30 original properties to replacement dwellings located in
31 different counties, this section, except as provided in
32 paragraph (3), shall apply to any replacement dwelling
33 that is purchased or newly constructed on or after the
34 date specified in accordance with subparagraph (E) of
35 paragraph (2) of subdivision (a) in the ordinance of the
36 county in which the replacement dwelling is located, but
37 shall not apply to any replacement dwelling which was
38 purchased or newly constructed before November 9,
39 1988.

(3) With respect to the transfer of base year value by a severely and permanently disabled person, this section shall apply only to replacement dwellings that are purchased or newly constructed on or after June 6, 1990.

(4) The amendments made to subdivision (e) by the act adding this paragraph shall apply only to replacement dwellings under Section 69 that are acquired or newly constructed on or after October 20, 1991, and shall apply commencing with the 1991–92 fiscal year.

(k) This section shall remain operative only until January 1, 1999, and on that date ~~are~~*is* repealed.

~~SEC. 7.~~

SEC. 6. Section 69.5 of the Revenue and Taxation Code is amended to read:

69.5. (a) Notwithstanding any other provision of law, pursuant to subdivision (a) of Section 2 of Article XIII A of the California Constitution, any person over the age of 55 years, or any severely and permanently disabled person, who resides in property that is eligible for the homeowner's exemption under subdivision (k) of Section 3 of Article XIII of the California Constitution and Section 218 may transfer, subject to the conditions and limitations provided in this section, the base year value of that property to any replacement dwelling of equal or lesser value that is located within the same county and is purchased or newly constructed by that person as his or her principal residence within two years of the sale by that person of the original property, provided that the base year value of the original property shall not be transferred to the replacement dwelling until the original property is sold.

(b) In addition to meeting the requirements of subdivision (a), any person claiming the property tax relief provided by this section shall be eligible for that relief only if the following conditions are met:

(1) The claimant is an owner and a resident of the original property either at the time of its sale or within two years of the purchase or new construction of the replacement dwelling.

1 (2) The original property is eligible for the
2 homeowner's exemption, as the result of the claimant's
3 ownership and occupation of the property as his or her
4 principal residence, either at the time of its sale or within
5 two years of the purchase or new construction of the
6 replacement dwelling.

7 (3) At the time of the sale of the original property, the
8 claimant or the claimant's spouse who resides with the
9 claimant is at least 55 years of age, or is severely and
10 permanently disabled.

11 (4) At the time of claiming the property tax relief
12 provided by subdivision (a), the claimant is an owner of
13 a replacement dwelling and occupies it as his or her
14 principal place of residence and, as a result thereof, the
15 property is currently eligible for the homeowner's
16 exemption or would be eligible for the exemption except
17 that the property is already receiving the exemption
18 because of an exemption claim filed by the previous
19 owner.

20 (5) The original property of the claimant is sold by him
21 or her within two years of the purchase or new
22 construction of the replacement dwelling. For purposes
23 of this paragraph, the purchase or new construction of the
24 replacement dwelling includes the purchase of that
25 portion of land on which the replacement building,
26 structure, or other shelter constituting a place of abode of
27 the claimant will be situated and that, pursuant to
28 paragraph (3) of subdivision (g), constitutes a part of the
29 replacement dwelling.

30 (6) The replacement dwelling, including that portion
31 of land on which it is situated that is specified in
32 paragraph (5), is located entirely within the same county
33 as the claimant's original property.

34 (7) The claimant has not previously been granted, as
35 a claimant, the property tax relief provided by this
36 section, except that this paragraph shall not apply to any
37 person who becomes severely and permanently disabled
38 subsequent to being granted, as a claimant, the property
39 tax relief provided by this section for any person over the
40 age of 55 years. In order to prevent duplication of claims

1 under this section within this state, county assessors shall
2 report quarterly to the State Board of Equalization that
3 information from claims filed in accordance with
4 subdivision (f) and from county records as is specified by
5 the board necessary to identify fully all claims under this
6 section allowed by assessors and all claimants who have
7 thereby received relief. The board may specify that the
8 information include all or a part of the names and social
9 security numbers of claimants and their spouses and the
10 identity and location of the replacement dwelling to
11 which the claim applies. The information may be
12 required in the form of data processing media or other
13 media and in a format that is compatible with the
14 recordkeeping processes of the counties and the auditing
15 procedures of the state.

16 (c) The property tax relief provided by this section
17 shall be available if the original property or the
18 replacement dwelling, or both, of the claimant, includes,
19 but is not limited to, either of the following:

20 (1) A unit or lot within a cooperative housing
21 corporation, a community apartment project, a
22 condominium project, or a planned unit development. If
23 the unit or lot constitutes the original property of the
24 claimant, the assessor shall transfer to the claimant's
25 replacement dwelling only the base year value of the
26 claimant's unit or lot and his or her share in any common
27 area reserved as an appurtenance of that unit or lot. If the
28 unit or lot constitutes the replacement dwelling of the
29 claimant, the assessor shall transfer the base year value of
30 the claimant's original property only to the unit or lot of
31 the claimant and any share of the claimant in any
32 common area reserved as an appurtenance of that unit or
33 lot.

34 (2) A mobilehome or a mobilehome and any land
35 owned by the claimant on which the mobilehome is
36 situated. If the mobilehome or the mobilehome and the
37 land on which it is situated constitutes the claimant's
38 original property, the assessor shall transfer to the
39 claimant's replacement dwelling either the base year
40 value of the mobilehome or the base year value of the

1 mobilehome and the land on which it is situated, as
2 appropriate. No transfer of base year value shall be made
3 by the assessor of that portion of land that does not
4 constitute a part of the original property, as provided in
5 paragraph (4) of subdivision (g). If the mobilehome or
6 the mobilehome and the land on which it is situated
7 constitutes the claimant's replacement dwelling, the
8 assessor shall transfer the base year value of the claimant's
9 original property either to the mobilehome or the
10 mobilehome and the land on which it is situated, as
11 appropriate. No transfer of base year value shall be made
12 by the assessor to that portion of land that does not
13 constitute a part of the replacement dwelling, as
14 provided in paragraph (3) of subdivision (g).

15 This subdivision shall be subject to the limitations
16 specified in subdivision (d).

17 (d) The property tax relief provided by this section
18 shall be available to a claimant who is the coowner of
19 original property, as a joint tenant, a tenant in common,
20 or a community property owner, subject to the following
21 limitations:

22 (1) If a single replacement dwelling is purchased or
23 newly constructed by all of the coowners and each
24 coowner retains an interest in the replacement dwelling,
25 the claimant shall be eligible under this section whether
26 or not any or all of the remaining coowners would
27 otherwise be eligible claimants.

28 (2) If two or more replacement dwellings are
29 separately purchased or newly constructed by two or
30 more coowners and more than one coowner would
31 otherwise be an eligible claimant, only one coowner shall
32 be eligible under this section. These coowners shall
33 determine by mutual agreement which one of them shall
34 be deemed eligible.

35 (3) If two or more replacement dwellings are
36 separately purchased or newly constructed by two
37 coowners who held the original property as community
38 property, only the coowner who has attained the age of
39 55 years, or is severely and permanently disabled, shall be
40 eligible under this section. If both spouses are over 55



1 years of age, they shall determine by mutual agreement
2 which one of them is eligible.

3 In the case of coowners whose original property is a
4 multiunit dwelling, the limitations imposed by
5 paragraphs (2) and (3) shall only apply to coowners who
6 occupied the same dwelling unit within the original
7 property at the time specified in paragraph (2) of
8 subdivision (b).

9 (e) Upon the sale of original property, the assessor
10 shall determine a new base year value for that property
11 in accordance with subdivision (a) of Section 2 of Article
12 XIII A of the California Constitution and Section 110.1,
13 whether or not a replacement dwelling is subsequently
14 purchased or newly constructed by the former owner or
15 owners of the original property.

16 This section shall not apply unless the transfer of the
17 original property is a change in ownership that either (1)
18 subjects that property to reappraisal at its current fair
19 market value in accordance with Section 110.1 or 5803 or
20 (2) results in a base year value determined in accordance
21 with this section, Section 69, or Section 69.3 because the
22 property qualifies under this section, Section 69, or
23 Section 69.3 as a replacement dwelling or property.

24 (f) A claimant shall not be eligible for the property tax
25 relief provided by this section unless the claimant
26 provides to the assessor, on a form that the assessor shall
27 make available upon request, the following information:

28 (1) The name and social security number of each
29 claimant and of any spouse of the claimant who was a
30 record owner of the original property at the time of its
31 sale or is a record owner of the replacement dwelling.

32 (2) Proof that the claimant or the claimant's spouse
33 who resided on the original property with the claimant
34 was, at the time of its sale, at least 55 years of age, or
35 severely and permanently disabled. Proof of severe and
36 permanent disability shall be considered a certification,
37 signed by a licensed physician and surgeon of appropriate
38 specialty, attesting to the claimant's severely and
39 permanently disabled condition. In the absence of
40 available proof that a person is over 55 years of age, the

1 claimant shall certify under penalty of perjury that the
2 age requirement is met. In the case of a severely and
3 permanently disabled claimant either of the following
4 shall be submitted:

5 (A) A certification, signed by a licensed physician or
6 surgeon of appropriate specialty that identifies specific
7 reasons why the disability necessitates a move to the
8 replacement dwelling and the disability-related
9 requirements, including any locational requirements, of
10 a replacement dwelling. The claimant shall substantiate
11 that the replacement dwelling meets disability-related
12 requirements so identified and that the primary reason
13 for the move to the replacement dwelling is to satisfy
14 those requirements. If the claimant, or the claimant's
15 spouse or guardian, so declares under penalty of perjury,
16 it shall be rebuttably presumed that the primary purpose
17 of the move to the replacement dwelling is to satisfy
18 identified disability-related requirements.

19 (B) The claimant's substantiation that the primary
20 purpose of the move to the replacement dwelling is to
21 alleviate financial burdens caused by the disability. If the
22 claimant, or the claimant's spouse or guardian, so declares
23 under penalty of perjury, it shall be rebuttably presumed
24 that the primary purpose of the move is to alleviate the
25 financial burdens caused by the disability.

26 (3) The address and, if known, the assessor's parcel
27 number of the original property.

28 (4) The date of the claimant's sale of the original
29 property and the date of the claimant's purchase or new
30 construction of a replacement dwelling.

31 (5) A statement by the claimant that he or she
32 occupied the replacement dwelling as his or her principal
33 place of residence on the date of the filing of his or her
34 claim.

35 The State Board of Equalization shall design the form
36 for claiming eligibility.

37 Any claim under this section shall be filed within three
38 years of the date the replacement dwelling was
39 purchased or the new construction of the replacement
40 dwelling was completed.

(g) For purposes of this section:

(1) “Person over the age of 55 years” means any person or the spouse of any person who has attained the age of 55 years or older at the time of the sale of original property.

(2) “Base year value of the original property” means its base year value, as determined in accordance with Section 110.1, with the adjustments permitted by subdivision (b) of Section 2 of Article XIII A of the California Constitution and subdivision (f) of Section 110.1, determined as of the date immediately prior to the date that the original property is sold by the claimant.

If the replacement dwelling is purchased or newly constructed after the transfer of the original property, “base year value of the original property” also includes any inflation factor adjustments permitted by subdivision (f) of Section 110.1 for the period subsequent to the sale of the original property. The base year or years used to compute the “base year value of the original property” shall be deemed to be the base year or years of any property to which that base year value is transferred pursuant to this section.

(3) “Replacement dwelling” means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, that is owned and occupied by a claimant as his or her principal place of residence, and any land owned by the claimant on which the building, structure, or other shelter is situated. For purposes of this paragraph, land constituting a part of a replacement dwelling includes only that area of reasonable size that is used as a site for a residence, and “land owned by the claimant” includes land for which the claimant either holds a leasehold interest described in subdivision (c) of Section 61 or a land purchase contract. Each unit of a multiunit dwelling shall be considered a separate replacement dwelling. For purposes of this paragraph, “area of reasonable size that is used as a site for a residence” includes all land if any nonresidential uses of the property are only incidental to the use of the property as a residential site.

1 (4) “Original property” means a building, structure,
2 or other shelter constituting a place of abode, whether
3 real property or personal property, that is owned and
4 occupied by a claimant as his or her principal place of
5 residence, and any land owned by the claimant on which
6 the building, structure, or other shelter is situated. For
7 purposes of this paragraph, land constituting a part of
8 original property includes only that area of reasonable
9 size that is used as a site for a residence, and “land owned
10 by the claimant” includes land for which the claimant
11 either holds a leasehold interest described in subdivision
12 (c) of Section 61 or a land purchase contract. Each unit
13 of a multiunit dwelling shall be considered a separate
14 original property. For purposes of this paragraph, “area
15 of reasonable size that is used as a site for a residence”
16 includes all land if any nonresidential uses of the property
17 are only incidental to the use of the property as a
18 residential site.

19 (5) “Equal or lesser value” means that the amount of
20 the full cash value of a replacement dwelling does not
21 exceed one of the following:

22 (A) One hundred percent of the amount of the full
23 cash value of the original property if the replacement
24 dwelling is purchased or newly constructed prior to the
25 date of the sale of the original property.

26 (B) One hundred and five percent of the amount of
27 the full cash value of the original property if the
28 replacement dwelling is purchased or newly constructed
29 within the first year following the date of the sale of the
30 original property.

31 (C) One hundred and ten percent of the amount of
32 the full cash value of the original property if the
33 replacement dwelling is purchased or newly constructed
34 within the second year following the date of the sale of the
35 original property.

36 For the purposes of this paragraph, except as otherwise
37 provided in paragraph (4) of subdivision (h), if the
38 replacement dwelling is, in part, purchased and, in part,
39 newly constructed, the date the “replacement dwelling
40 is purchased or newly constructed” is the date of

1 purchase or the date of completion of construction,
2 whichever is later.

3 (6) “Full cash value of the replacement dwelling”
4 means its full cash value, determined in accordance with
5 Section 110.1, as of the date on which it was purchased or
6 new construction was completed, and after the purchase
7 or the completion of new construction.

8 (7) “Full cash value of the original property” means its
9 new base year value, determined in accordance with
10 subdivision (e), without the application of subdivision
11 (h) of Section 2 of Article XIII A of the California
12 Constitution, plus the adjustments permitted by
13 subdivision (b) of Section 2 of Article XIII A and
14 subdivision (f) of Section 110.1 for the period from the
15 date of its sale by the claimant to the date on which the
16 replacement property was purchased or new
17 construction was completed.

18 (8) “Sale” means any change in ownership of the
19 original property for consideration.

20 (9) “Claimant” means any person claiming the
21 property tax relief provided by this section. If a spouse of
22 that person is a record owner of the replacement
23 dwelling, the spouse is also a claimant for purposes of
24 determining whether in any future claim filed by the
25 spouse under this section the condition of eligibility
26 specified in paragraph (7) of subdivision (b) has been
27 met.

28 (10) “Property that is eligible for the homeowner’s
29 exemption” includes property that is the principal place
30 of residence of its owner and is entitled to exemption
31 pursuant to Section 205.5.

32 (11) “Person” means any individual, but does not
33 include any firm, partnership, association, corporation,
34 company, or other legal entity or organization of any
35 kind.

36 (12) “Severely and permanently disabled” means any
37 person described in subdivision (b) of Section 74.3.

38 (h) (1) Upon the timely filing of a claim, the assessor
39 shall adjust the new base year value of the replacement

1 dwelling in conformity with this section. This adjustment
2 shall be made as of the latest of the following dates:

3 (A) The date the original property is sold.

4 (B) The date the replacement dwelling is purchased.

5 (C) The date the new construction of the replacement
6 dwelling is completed.

7 (2) Any taxes that were levied on the replacement
8 dwelling prior to the filing of the claim on the basis of the
9 replacement dwelling's new base year value, and any
10 allowable annual adjustments thereto, shall be canceled
11 or refunded to the claimant to the extent that the taxes
12 exceed the amount that would be due when determined
13 on the basis of the adjusted new base year value.

14 (3) Notwithstanding Section 75.10, Chapter 3.5
15 (commencing with Section 75) shall be utilized for
16 purposes of implementing this subdivision, including
17 adjustments of the new base year value of replacement
18 dwellings acquired prior to the sale of the original
19 property.

20 (4) In the case where a claim under this section has
21 been timely filed and granted, and new construction is
22 performed upon the replacement dwelling subsequent to
23 the transfer of base year value, the property tax relief
24 provided by this section also shall apply to the
25 replacement dwelling, as improved, and thus there shall
26 be no reassessment upon completion of the new
27 construction if both of the following conditions are met:

28 (A) The new construction is completed within two
29 years of the date of the sale of the original property and
30 the owner notifies the assessor in writing of completion
31 of the new construction within 30 days after completion.

32 (B) The fair market value of the new construction on
33 the date of completion, plus the full cash value of the
34 replacement dwelling on the date of acquisition, is not
35 more than the full cash value of the original property as
36 determined pursuant to paragraph (7) of subdivision (g)
37 for purposes of granting the original claim.

38 (i) Any claimant may rescind a claim for the property
39 tax relief provided by this section and shall not be
40 considered to have received that relief for purposes of

1 paragraph (7) of subdivision (b), if a written notice of
2 rescission is delivered to the office of the assessor in which
3 the original claim was filed and all of the following have
4 occurred:

5 (1) The notice is signed by the original filing claimant
6 or claimants.

7 (2) The notice is delivered to the office of the assessor
8 before the date that the county first issues, as a result of
9 relief granted under this section, a refund check for
10 property taxes imposed upon the replacement dwelling.
11 If granting relief will not result in a refund of property
12 taxes, then the notice shall be delivered before payment
13 is first made of any property taxes, or any portion thereof,
14 imposed upon the replacement dwelling consistent with
15 relief granted under this section. If payment of the taxes
16 is not made, then notice shall be delivered before the first
17 date that those property taxes, or any portion thereof,
18 imposed upon the replacement dwelling, consistent with
19 relief granted under this section, are delinquent.

20 (3) The notice is accompanied by the payment of a fee
21 as the assessor may require, provided that the fee shall not
22 exceed an amount reasonably related to the estimated
23 cost of processing a rescission claim, including both direct
24 costs and developmental and indirect costs, such as costs
25 for overhead, personnel, supplies, materials, office space,
26 and computers.

27 (j) (1) This section, except as provided in paragraph
28 (2) or (3), shall apply to any replacement dwelling that
29 is purchased or newly constructed on or after November
30 6, 1986.

31 (2) With respect to the transfer of base year value by
32 a severely and permanently disabled person, this section
33 shall apply only to replacement dwellings that are
34 purchased or newly constructed on or after June 6, 1990.

35 (3) The amendments made to subdivision (e) by the
36 act adding this paragraph shall apply only to replacement
37 dwellings under Section 69 that are acquired or newly
38 constructed on or after October 20, 1991, and shall apply
39 commencing with the 1991–92 fiscal year.

1 (k) This section shall become operative on January 1,
2 1999.

3 ~~SEC. 8.~~

4 *SEC. 7.* Section 75.10 of the Revenue and Taxation
5 Code is amended to read:

6 75.10. (a) Commencing with the 1983–84 assessment
7 year and each assessment year thereafter, whenever a
8 change in ownership occurs or new construction
9 resulting from actual physical new construction on the
10 site is completed, the assessor shall appraise the property
11 changing ownership or the new construction at its full
12 cash value (except as provided in Section 68 and
13 subdivision (b) of this section) on the date the change in
14 ownership occurs or the new construction is completed.
15 The value so determined shall be the new base year value
16 of the property or the new construction.

17 (b) For purposes of this chapter, “actual physical new
18 construction” includes the removal of a structure from
19 land. The new base year value of the remaining property
20 (after the removal of the structure) shall be determined
21 in the same manner as provided in subdivision (b) of
22 Section 51.

23 (c) For purposes of this section, “actual physical new
24 construction” includes the discovery of previously
25 unknown reserves of oil or gas.

26 ~~SEC. 9.~~

27 *SEC. 8.* Section 408 of the Revenue and Taxation
28 Code is amended to read:

29 408. (a) Except as otherwise provided in subdivisions
30 (b), (c), (d), and (e) any information and records in the
31 assessor’s office that are not required by law to be kept or
32 prepared by the assessor, and homeowners’ exemption
33 claims, are not public documents and shall not be open to
34 public inspection. Property receiving the homeowners’
35 exemption shall be clearly identified on the assessment
36 roll. The assessor shall maintain records which shall be
37 open to public inspection to identify those claimants who
38 have been granted the homeowners’ exemption.

39 (b) The assessor may provide any appraisal data in his
40 or her possession to the assessor of any county.

1 The assessor shall disclose information, furnish
2 abstracts, or permit access to all records in his or her office
3 to law enforcement agencies, the county grand jury, the
4 board of supervisors or their duly authorized agents,
5 employees or representatives when conducting an
6 investigation of the assessor's office pursuant to Section
7 25303 of the Government Code, the Controller,
8 employees of the Controller for property tax
9 postponement purposes, probate referees, employees of
10 the Franchise Tax Board for tax administration purposes
11 only, staff appraisers of the Department of Financial
12 Institutions, the Department of Transportation, the
13 Department of General Services, the State Board of
14 Equalization, the State Department of Social Services,
15 the Department of Water Resources, and other duly
16 authorized legislative or administrative bodies of the
17 state pursuant to their authorization to examine the
18 records. Whenever the assessor discloses information,
19 furnishes abstracts, or permits access to records in his or
20 her office to staff appraisers of the Department of
21 Financial Institutions, the Department of Transportation,
22 ~~or~~—the Department of General Services, or the
23 Department of Water Resources pursuant to this section,
24 the department shall reimburse the assessor for any costs
25 incurred as a result thereof.

26 (c) Upon the request of the tax collector, the assessor
27 shall disclose and provide to the tax collector information
28 used in the preparation of that portion of the unsecured
29 roll for which the taxes thereon are delinquent. The tax
30 collector shall certify to the assessor that he or she needs
31 the information requested for the enforcement of the tax
32 lien in collecting those delinquent taxes. Information
33 requested by the tax collector may include social security
34 numbers, and the assessor shall recover from the tax
35 collector his or her actual and reasonable costs for
36 providing the information. The tax collector shall add the
37 costs described in the preceding sentence to the assessee's
38 delinquent tax lien and collect those costs subject to
39 subdivision (e) of Section 2922.



1 (d) The assessor shall, upon the request of an assessee
2 or his or her designated representative, permit the
3 assessee or representative to inspect or copy any market
4 data in the assessor's possession. For purposes of this
5 subdivision, "market data" means any information in the
6 assessor's possession, whether or not required to be
7 prepared or kept by him or her, relating to the sale of any
8 property comparable to the property of the assessee, if
9 the assessor bases his or her assessment of the assessee's
10 property, in whole or in part, on that comparable sale or
11 sales. The assessor shall provide the names of the seller
12 and buyer of each property on which the comparison is
13 based, the location of that property, the date of the sale,
14 and the consideration paid for the property, whether paid
15 in money or otherwise. However, for purposes of
16 providing market data, the assessor shall not display any
17 document relating to the business affairs or property of
18 another.

19 (e) (1) With respect to information, documents, and
20 records, other than market data as defined in subdivision
21 (d), the assessor shall, upon request of an assessee of
22 property, or his or her designated representative, permit
23 the assessee or representative to inspect or copy all
24 information, documents, and records, including auditors'
25 narrations and workpapers, whether or not required to be
26 kept or prepared by the assessor, relating to the appraisal
27 and the assessment of the assessee's property, and any
28 penalties and interest thereon.

29 (2) After enrolling an assessment, the assessor shall
30 respond to a written request for information supporting
31 the assessment, including, but not limited to, any
32 appraisal and other data requested by the assessee.

33 (3) Except as provided in Section 408.1, an assessee, or
34 his or her designated representative, shall not be
35 permitted to inspect or copy information and records that
36 also relate to the property or business affairs of another,
37 unless that disclosure is ordered by a competent court in
38 a proceeding initiated by a taxpayer seeking to challenge
39 the legality of the assessment of his or her property.



(f) (1) Permission for the inspection or copying requested pursuant to subdivision (d) or (e) shall be granted as soon as reasonably possible to the assessee or his or her designated representative.

(2) If the assessee, or his or her designated representative, requests the assessor to make copies of any of the requested records, the assessee shall reimburse the assessor for the reasonable costs incurred in reproducing and providing the copies.

(3) If the assessor fails to permit the inspection or copying of materials or information as requested pursuant to subdivision (d) or (e) and the assessor introduces any requested materials or information at any assessment appeals board hearing, the assessee or his or her representative may request and shall be granted a continuance for a reasonable period of time. The continuance shall extend the two-year period specified in subdivision (c) of Section 1604 for a period of time equal to the period of continuance.

~~SEC. 10.~~

SEC. 9. Section 434.5 of the Revenue and Taxation Code is amended to read:

434.5. (a) On March 1, 1984, for the Redwood Region and Pine-Mixed Conifer Region, and on January 1, 1985, for the Whitewood Subzone of the Redwood Region, and January 1 of each year thereafter, the value per acre of timberland zoned under the provisions of Section 51110 or Section 51113 of the Government Code shall be determined from the following schedule:

Redwood Region

Site I	\$180
Site II	\$150
Site III	\$130
Site IV	\$114
Site V (and inoperable)	\$ 35

Pine-Mixed Conifer Region

Site I	\$ 98
Site II	\$ 69

1	Site III	\$ 56
2	Site IV	\$ 39
3	Site V (and inoperable)	\$ 23
4		
5	Whitewood Subzone of the Redwood Region	
6	Site I	\$130
7	Site II	\$ 95
8	Site III	\$ 80
9	Site IV	\$ 60
10	Site V (and inoperable)	\$ 30

11
12 For purposes of this section:

13 (1) "Redwood Region" means all those timberlands
14 located in Del Norte, Humboldt, Sonoma, Marin,
15 Monterey, Santa Cruz, and San Mateo Counties and that
16 portion of Mendocino County which lies west and south
17 of the main Eel River.

18 (2) "Whitewood Subzone of the Redwood Region"
19 means that timberland located within the Redwood
20 Region within which the assessor has determined that
21 redwood did not exist as a species in the composition of
22 the original timber stand, or which has not been
23 replanted with redwood for commercial purposes.

24 (3) "Pine-Mixed Conifer Region" means all other
25 timberlands outside the Redwood Region.

26 When the assessor, pursuant to Section 434, designates
27 a timberland parcel or portion thereof as inoperable, that
28 timberland parcel or portion thereof shall be valued as if
29 it is Site V.

30 (b) In 1985, the board shall determine the current
31 value of timberland by the following process:

32 (1) For each fiscal year between July 1, 1979, and June
33 30, 1984, divide the total value of all timber harvested
34 within the state, less miscellaneous forest products not
35 reported by board foot volume, by the total volume of
36 timber harvested, as reported pursuant to Section 38402.
37 Average the five fiscal year values to obtain the five-year
38 periodic immediate harvest value.

1 (2) For each fiscal year between July 1, 1978, and June
2 30, 1983, follow the same procedure as described in
3 paragraph (1).

4 (3) Divide the value obtained by paragraph (1) by the
5 value obtained by paragraph (2) to obtain the percentage
6 change, rounded to the nearest one-tenth of 1 percent.

7 (4) Increase or decrease to the nearest dollar the full
8 market values contained in subdivision (a) by one-half of
9 the percentage change determined by paragraph (3).

10 (c) Beginning January 1, 1986, and each year
11 thereafter, the board shall determine the current value of
12 timberland using the same procedure as described in
13 subdivision (b), except that this adjustment shall be made
14 to the prior year's adjusted values, and the five-year
15 periodic immediate harvest values shall be successively
16 one year more recent.

17 (d) The board shall certify the values determined
18 pursuant to this section to the county assessors by
19 November 30 of each year.

20 (e) The Legislature finds and declares that the
21 foregoing values are consistent with the taxation of
22 timberland used primarily for growing timber and that
23 these values are consistent with the intent of subdivision
24 (j) of Section 3 of Article XIII of the Constitution.

25 ~~SEC. 11.~~

26 *SEC. 10.* Section 619 of the Revenue and Taxation
27 Code is amended to read:

28 619. (a) Except as provided in subdivision (f), the
29 assessor shall, upon or prior to completion of the local roll,
30 either:

31 (1) Inform each assessee of real property on the local
32 secured roll whose property's full value has increased of
33 the assessed value of that property as it shall appear on the
34 completed local roll; or

35 (2) Inform each assessee of real property on the local
36 secured roll, or each assessee on the local secured roll and
37 each assessee on the unsecured roll, of the assessed value
38 of his ~~real property or of both his real and his~~ or her real
39 ~~property or of both his or her real and his or her personal~~
40 property as it shall appear on the completed local roll.

1 (b) The information given by the assessor to the
2 assessee pursuant to paragraph (1) or (2) of subdivision
3 (a) shall include a notification of hearings by the county
4 board of equalization, which shall include the period
5 during which assessment protests will be accepted and
6 the place where they may be filed. The information shall
7 also include an explanation of the stipulation procedure
8 set forth in Section 1607 and the manner in which the
9 assessee may request use of this procedure.

10 (c) The information shall also include the full value of
11 the property.

12 (d) The information shall be furnished by the assessor
13 to the assessee by regular United States mail directed to
14 him ~~at his~~ or her at his or her latest address known to the
15 assessor.

16 (e) Neither the failure of the assessee to receive the
17 information nor the failure of the assessor to so inform the
18 assessee shall in any way affect the validity of any
19 assessment or the validity of any taxes levied pursuant
20 thereto.

21 (f) This section shall not apply to annual increases in
22 the valuation of property which reflect the inflation rate,
23 not to exceed 2 percent, pursuant to the authority of
24 subdivision (b) of Section 2 of Article XIII A of the
25 California Constitution, for purposes of property tax
26 limitation determinations.

27 (g) This section does not apply to increases in assessed
28 value caused solely by changes in the assessment ratio
29 provided for in Section 401.

30 (h) This section shall remain in effect only until
31 January 1, 1999, and as of that date is repealed.

32 ~~SEC. 11.5.~~

33 *SEC. 10.5.* Section 619 is added to the Revenue and
34 Taxation Code, to read:

35 619. (a) Except as provided in subdivision (f), the
36 assessor shall, upon or prior to completion of the local roll,
37 do either of the following:

38 (1) Inform each assessee of real property on the local
39 secured roll whose property's full value has increased
40 over its full value for the prior year of the assessed value

1 of that property as it shall appear on the completed local
2 roll.

3 (2) Inform each assessee of real property on the local
4 secured roll, or each assessee on the local secured roll and
5 each assessee on the unsecured roll, of the assessed value
6 of his ~~real property or of both his real and his~~ or her real
7 *property or of both his or her real and his or her personal*
8 property as it shall appear on the completed local roll.

9 (b) The information given by the assessor to the
10 assessee pursuant to paragraph (1) or (2) of subdivision
11 (a) shall include a notification of hearings by the county
12 board of equalization, which shall include the period
13 during which assessment protests will be accepted and
14 the place where they may be filed. The information shall
15 also include an explanation of the stipulation procedure
16 set forth in Section 1607 and the manner in which the
17 assessee may request use of this procedure.

18 (c) In the case of an increase in a property's full value
19 that is determined pursuant to paragraph (1) of
20 subdivision (a) of Section 51 over the property's full value
21 determined for the prior year in accordance with
22 paragraph (2) of that same subdivision, the information
23 shall also include the full cash value base of the property,
24 compounded annually from the base year to the current
25 year by the appropriate inflation factors.

26 (d) The information shall be furnished by the assessor
27 to the assessee by regular United States mail directed to
28 him ~~at his~~ or her *at his or her* latest address known to the
29 assessor.

30 (e) Neither the failure of the assessee to receive the
31 information nor the failure of the assessor to so inform the
32 assessee shall in any way affect the validity of any
33 assessment or the validity of any taxes levied pursuant
34 thereto.

35 (f) This section shall not apply to annual increases in
36 the valuation of property which reflect the inflation rate,
37 not to exceed 2 percent, pursuant to the authority of
38 subdivision (b) of Section 2 of Article XIII A of the
39 California Constitution, for purposes of property tax
40 limitation determinations.

1 (g) This section does not apply to increases in assessed
2 value caused solely by changes in the assessment ratio
3 provided for in Section 401.

4 (h) This section shall become operative on January 1,
5 1999.

6 ~~SEC. 12.~~

7 *SEC. 11.* Section 670 of the Revenue and Taxation
8 Code is amended to read:

9 670. (a) No person shall perform the duties or
10 exercise the authority of an appraiser for property tax
11 purposes as an employee of the state, any county or city
12 and county, unless he or she is the holder of a valid
13 appraiser's or advanced appraiser's certificate issued by
14 the State Board of Equalization.

15 (b) The board shall provide for the examination of
16 applicants for these certificates and may contract with
17 the State Personnel Board to give the examinations.
18 Examinations shall be prepared by the board with the
19 advice and assistance of a committee of five assessors
20 selected by the State Association of County Assessors for
21 this purpose. No certificate shall be issued to any person
22 who has not attained a passing grade in the examination
23 and demonstrated to the board that he or she is
24 competent to perform the work of an appraiser as that
25 competency is defined in regulations duly adopted by the
26 board. However, any applicant for a certificate who is
27 denied the same shall have a right to a review of that
28 denial in accordance with the State Administrative
29 Procedure Act contained in Chapter 5 (commencing
30 with Section 11500) of Part 1 of Division 3 of Title 2 of the
31 Government Code.

32 (c) Passage of a civil service or merit system
33 examination for appraiser given by the state, or any
34 county or city and county, shall suffice to meet the
35 requirements of this section. The scope of the
36 examination shall be approved by the State Board of
37 Equalization.

38 (d) No employee of the state, or any county or city and
39 county shall perform the duties or exercise the authority
40 of an auditor or an auditor-appraiser under Section 469 or

1 Section 15624 of the Government Code, unless he or she
2 holds a degree with a specialization in accounting from a
3 recognized institution of higher education, or is a licensed
4 accountant in the State of California, or has passed the
5 state, or a county, or city and county, or city civil service
6 or merit system examination regularly given for the
7 position of accountant or auditor by the testing body, or
8 holds the office of assessor.

9 (e) Except for persons holding the office of assessor,
10 this section does not apply to elected officials.

11 (f) No charge shall be made to counties or to
12 applicants for examinations and certifications under this
13 section or for training conducted by the board under
14 Section 671.

15 ~~SEC. 13.~~

16 *SEC. 12.* Section 673 of the Revenue and Taxation
17 Code is amended to read:

18 673. The State Board of Equalization may issue a
19 temporary certificate to a person who is newly employed
20 by the state, any county, city and county, or appraisal
21 commission in order to afford the person the opportunity
22 to apply for and take an examination the successful
23 passage of which would qualify the person for an
24 appraiser's certificate. A temporary certificate shall not
25 be issued to exceed one year's duration and shall be issued
26 only to a person who has demonstrated eligibility to take
27 a civil service examination pursuant to subdivision (c) of
28 Section 670, or who is found by the board to possess
29 qualifications by reason of education and experience so
30 that he or she may be reasonably expected to be
31 competent to perform the work of an appraiser, or who
32 has been duly elected or appointed to the office of
33 assessor. A temporary certificate shall not be renewed.

34 ~~SEC. 14.~~

35 *SEC. 13.* Section 1603 of the Revenue and Taxation
36 Code is amended to read:

37 1603. (a) A reduction in an assessment on the local
38 roll shall not be made unless the party affected or his or
39 her agent makes and files with the county board a
40 verified, written application showing the facts claimed to

1 require the reduction and the applicant's opinion of the
2 full value of the property. The form for the application
3 shall be prescribed by the State Board of Equalization.

4 (b) (1) The application shall be filed within the time
5 period beginning July 2 and continuing through and
6 including September 15. An application that is mailed and
7 postmarked September 15 or earlier within that period
8 shall be deemed to have been filed within the time period
9 beginning July 2 and continuing through and including
10 September 15.

11 (2) If September 15 falls on Saturday, Sunday, or a
12 legal holiday, an application that is mailed and
13 postmarked on the next business day shall be deemed to
14 have been filed within "the time period beginning July 2
15 and continuing through and including September 15." If
16 on the dates specified in this paragraph, the county's
17 offices are closed for business prior to 5 p.m. or for that
18 entire day, that day shall be considered a legal holiday for
19 purposes of this section.

20 (3) If the taxpayer does not receive the notice of
21 assessment described in Section 619 at least 15 calendar
22 days prior to the deadline to file the application described
23 in this subdivision, the party affected, or his or her agent,
24 may file an application within 60 days of receipt of the
25 notice of assessment or within 60 days of the mailing of the
26 tax bill, whichever is earlier, along with an affidavit
27 declaring under penalty of perjury that the notice was not
28 timely received.

29 (c) However, the application may be filed within 12
30 months following the month in which the assessee is
31 notified of the assessment, if the party affected or his or
32 her agent and the assessor stipulate that there is an error
33 in the assessment as the result of the exercise of the
34 assessor's judgment in determining the full cash value of
35 the property and a written stipulation as to the full cash
36 value and assessed value is filed in accordance with
37 Section 1607.

38 (d) In the form provided for making application
39 pursuant to this section, there shall be a notice that
40 written findings of facts of the local equalization hearing

1 will be available upon written request at the requester's
2 expense and, if not so requested, the right to the written
3 findings is waived. The form shall provide appropriate
4 space for the applicant to request written findings of facts
5 as provided by Section 1611.5.

6 ~~SEC. 15.~~

7 *SEC. 14.* Section 1605 of the Revenue and Taxation
8 Code is amended to read:

9 1605. (a) An assessment made outside of the regular
10 assessment period is not effective for any purpose,
11 including its review, equalization and adjustment by the
12 county board, until the assessee has been notified thereof
13 personally or by United States mail at the assessee's
14 address as contained in the official records of the county
15 assessor. Receipt by the assessee of a tax bill based on that
16 assessment shall suffice as the notice.

17 (b) Upon application for reduction pursuant to
18 subdivision (a) of Section 1603, the assessment shall be
19 subject to review, equalization and adjustment by the
20 county board. The application shall be filed with the clerk
21 no later than 60 days after the date on which the assessee
22 was notified. For counties of the first class, the application
23 shall be filed within 60 days of the date of the mailing of
24 the tax bill. However, an application for reduction in a
25 supplemental assessment may be filed within 12 months
26 following the month in which the assessee is notified of
27 that assessment, if the party affected or his or her agent
28 and the assessor stipulate that there is an error in the
29 assessment as the result of the exercise of the assessor's
30 judgment in determining the full cash value of the
31 property and a written stipulation as to the full cash value
32 and assessed value of the property is filed in accordance
33 with Section 1607.

34 (c) The board of supervisors of any county may by
35 resolution require that the application for reduction
36 pursuant to subdivision (a) of Section 1603 be filed with
37 the clerk no later than 60 days after the date of the mailing
38 of the tax bill.

39 (d) In counties where assessment appeals boards have
40 not been created and are not in existence, at any regular

1 meeting, the board of supervisors, on the request of the
2 assessor or any taxpayer, shall sit as the county board to
3 equalize any assessments made by the assessor outside the
4 regular assessment period for those assessments.
5 Notwithstanding any other provision of law to the
6 contrary, in any county in which assessment appeals
7 boards have been created and are in existence, the time
8 for equalization of assessments made outside the regular
9 assessment period for those assessments, including
10 assessments made pursuant to Sections 501, 503, 504, and
11 531 shall be prescribed by rules adopted by the board of
12 supervisors.

13 (e) If an audit of the books and records of any
14 profession, trade, or business pursuant to Section 469
15 discloses property subject to an escaped assessment for
16 any year, then the original assessment of all property of
17 the assessee at the location of the profession, trade, or
18 business for that year shall be subject to review,
19 equalization and adjustment by the county board of
20 equalization or assessment appeals board pursuant to this
21 chapter, except in those instances when that property
22 had previously been equalized for the year in question by
23 the county board of equalization or assessment appeals
24 board. The application shall be filed with the clerk no
25 later than 60 days after the date on which the assessee was
26 notified. Receipt by the assessee of a tax bill based upon
27 that assessment shall suffice as that notice.

28 (f) For purposes of subdivision (a), “regular
29 assessment period” means January 1 to and including July
30 1 of the calendar year in which the assessment, other than
31 escape assessments, should have been enrolled if it had
32 been timely made.

33 ~~SEC. 16. Section 12631 of the Revenue and Taxation~~
34 ~~Code is amended to read:~~

35 ~~12631. Any insurer or surplus line broker who fails to~~
36 ~~pay any tax, except a tax determined as a deficiency~~
37 ~~assessment by the board under Article 3 (commencing~~
38 ~~with Section 12421) of Chapter 4, within the time~~
39 ~~required, shall pay a penalty of 10 percent of the amount~~
40 ~~of the tax in addition to the tax, plus interest at the~~

~~modified adjusted rate per month, or fraction thereof,
established pursuant to Section 6591.5, from the due date
of the tax until the date of payment.~~

~~SEC. 17. Section 12632 of the Revenue and Taxation
Code is amended to read:~~

~~12632. An insurer or surplus line broker who fails to
pay any deficiency assessment when it becomes due and
payable shall, in addition to the deficiency assessment,
pay a penalty of 10 percent of the amount of the
deficiency assessment, exclusive of interest and penalties.
The amount of any deficiency assessment, exclusive of
penalties, shall bear interest at the modified adjusted rate
per month, or fraction thereof, established pursuant to
Section 6591.5, from the date on which the amount, or any
portion thereof, would have been payable if properly
reported and assessed until the date of payment.~~

~~SEC. 18. Section 12983.1 of the Revenue and Taxation
Code is amended to read:~~

~~12983.1. Interest shall be allowed upon the amount of
any overpayment of tax by a surplus line broker pursuant
to this part at the modified adjusted rate per month
established pursuant to Section 6591.5, from the first day
of the monthly period following the period during which
the overpayment was made. For purposes of this section,
“monthly period” means the month commencing on the
day after the due date of the payment through the same
date as the due date in each successive month. In
addition, a refund or credit shall be made of any interest
imposed upon the claimant with respect to the amount
being refunded or credited.~~

~~The interest shall be paid as follows:~~

~~(a) In the case of a refund, to the last day of the
calendar month following the date upon which the
claimant is notified in writing that a claim may be filed or
the date upon which the claim is approved by the board,
whichever date is the earlier.~~

~~(b) In the case of a credit, to the same date as that to
which interest is computed on the tax or amount against
which the credit is applied.~~

~~SEC. 19.~~

1 *SEC. 15.* Section 38904 of the Revenue and Taxation
2 Code is amended to read:

3 38904. The money in the Timber Tax Fund is
4 appropriated as follows:

5 (a) To reimburse the General Fund for funds
6 advanced for costs incurred by the board in
7 administration of this part as follows:

8 (1) Four hundred sixty-seven thousand nine hundred
9 thirty dollars (\$467,930) for fiscal years 1975–76 and
10 1976–77.

11 (2) Amounts identified and approved in subsequent
12 fiscal years as approved in the Budget Bill. One-half of this
13 amount shall be reimbursed to the General Fund
14 between November 1 and November 10, and the
15 remaining one-half between May 1 and May 10. In the
16 event that not all funds approved in the Budget Bill are
17 actually expended by the board, then in the succeeding
18 fiscal year, the amount to be reimbursed to the General
19 Fund between November 1 and November 10 shall be
20 reduced by an amount equal to the unexpended
21 appropriation of the preceding fiscal year.

22 (b) To reimburse the General Fund for funds
23 advanced for costs incurred by the State Forester in
24 administration of Section 4582.8 of the Public Resources
25 Code as follows:

26 (1) Thirteen thousand five hundred dollars (\$13,500)
27 for fiscal years 1975–76 and 1976–77.

28 (2) Amounts identified and approved in subsequent
29 fiscal years as approved in the Budget Bill.

30 (c) To the Controller to allocate pursuant to Sections
31 38905 and 38905.1.

32 (d) To pay refunds authorized by this part of taxes
33 imposed pursuant to Section 38115 and interest, penalties,
34 and other amounts paid or collected pursuant to this part
35 and deposited in the Timber Tax Fund.

36 ~~SEC. 20.~~

37 *SEC. 16.* Notwithstanding Section 17610 of the
38 Government Code, if the Commission on State Mandates
39 determines that Section ~~44~~–10 of this act contains costs
40 mandated by the state, reimbursement to local agencies

1 and school districts for those costs shall be made pursuant
2 to Part 7 (commencing with Section 17500) of Division 4
3 of Title 2 of the Government Code. If the statewide cost
4 of the claim for reimbursement does not exceed one
5 million dollars (\$1,000,000), reimbursement shall be
6 made from the State Mandates Claims Fund.

7 Notwithstanding Section 17580 of the Government
8 Code, unless otherwise specified, the provisions of this act
9 shall become operative on the same date that the act
10 takes effect pursuant to the California Constitution.

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